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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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Governor

Kathleen Clarke
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Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

INSPECTION REPORT

Partial: _____ Complete: XXX Exploration: _____

Inspection Date & Time: 1/13/2001 / 11:00a.m.-3:30p.m.

Date of Last Inspection: 12/13/2000

PGL
by
[Signature]

Mine Name: Sunnyside Refuse/Slurry County: Carbon Permit Number: C-1000

Permittee and/or Operator's Name: Sunnyside Cogeneration Associates

Business Address: P.O. Box 10, East Carbon, Utah 84520

Type of Mining Activity: Underground _____ Surface XXX Prep. Plant _____ Other _____

Company Official(s): Rusty Netz

State Official(s): Bill Malencik Federal Official(s): None

Weather Conditions: Clear, Cold, 15" Snow at the mine

Existing Acreage: Permitted 310 Disturbed 202 Regraded _____ Seeded _____

Status: Active XXX

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

- Substantiate the elements on this inspection by checking the appropriate performance standard.
 - For complete inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check N/A.
 - For partial inspections check only the elements evaluated.
- Document any noncompliance situation by referencing the NOV issued at the appropriate performance standard listed below.
- Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
- Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

	EVALUATED	N/A	COMMENTS	NOV/ENF
1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. SIGNS AND MARKERS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. TOPSOIL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. HYDROLOGIC BALANCE:				
a. DIVERSIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. SEDIMENT PONDS AND IMPOUNDMENTS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. OTHER SEDIMENT CONTROL MEASURES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. WATER MONITORING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e. EFFLUENT LIMITATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. EXPLOSIVES	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. NONCOAL WASTE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL ISSUES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. SLIDES AND OTHER DAMAGE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. CONTEMPORANEOUS RECLAMATION	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. BACKFILLING AND GRADING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. REVEGETATION	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. SUBSIDENCE CONTROL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. CESSATION OF OPERATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. ROADS:				
a. CONSTRUCTION/MAINTENANCE/SURFACING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. DRAINAGE CONTROLS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. OTHER TRANSPORTATION FACILITIES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. SUPPORT FACILITIES/UTILITY INSTALLATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS CHECK (4 th Quarter- April, May, June)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. AIR QUALITY PERMIT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. BONDING & INSURANCE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. OTHER: AML FEES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

INSPECTION REPORT
(Continuation sheet)

PERMIT NUMBER: C/007/035

DATE OF INSPECTION: 1/18/2001

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

GENERAL COMMENTS

-A complete inspection of the Sunnyside Cogeneration Mine was completed on 1/18/2001.

-Midterm was completed on 8/22/2000. These were the items covered:

- 1) Grouting the riprap to the clear water pond inlet. Needs to be completed in 30 days. All done.
- 2) Repairing the road going down to the railcut pond. Needs to be completed in 30 days, field work completed timely; paperwork deadline 1/16/2001.
- 3) Repairing the ASCA drainage so the runoff will flow into the railcut pond. All the work had been completed. It consisted of constructing a moderate size berm that would make certain that the runoff would go to the railcut pond, paperwork deadline 1/16/2001.

-Annual report was submitted March 31, 2000 and is part of the official record.

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The permit was revised on 10/18/2000 and expires February 4, 2002, and includes a Division approved surface mining permit for 323.95 acres.

The permittee has obtained Division approval to receive and do a test burn on coal tar. Coal tar from Geneva Steel would be taken to the Cogeneration plant for a test burn. The public at East Carbon have voiced concerns about this project. The project is hung up because of the value of the materials from Geneva Steel.

4A. HYDROLOGIC BALANCE: DIVERSIONS

The majority of the site's diversions were clean and appeared to be capable of functioning as designed.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The disturbed area contains eleven impoundments, of which seven are sediment ponds. There are four slurry approved impoundments. Slurry cell one and two are non-MSHA impoundments.

The east and west slurry cells are MSHA impoundments. These are monitored weekly. All slurry cells are inactive. This occurred when the Sunnyside Mine closed and no longer washed coal in 1994. The pond inspection reports were reviewed for the fourth quarter. No problems were noted.

No impoundment was discharging during the inspection.

4D. HYDROLOGIC BALANCE: WATER MONITORING

The water monitoring has been completed for the fourth quarter. Randy J. Scott notified the Division that the water monitoring quarterly data for the fourth quarter and the UPDES data were both submitted to the Division on January 17, 2001. This has been input into the database. A copy of the letter is attached. The reports were included into the database starting with the third quarter of 2000.

4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS

Effluent limitations have been done on a monthly basis with the last report covering the month of November.

INSPECTION REPORT
(Continuation sheet)

PERMIT NUMBER: C/007/035

DATE OF INSPECTION: 1/18/2001

6. DISPOSAL OF EXCESS WASTE/FILLS/BENCHES

The permittee has an approved site to store spoil and tippie processing waste from Savage and coal from Horizon. Currently, spoil is stored in the decommissioned slurry cell as approved in the MRP. The waste is being placed in the slurry cell #1. The operation has moved into slurry cell #2.

Three sites were approved so that coal material would be stored on the spoil piles and not on the refuse pile. The three spoil piles were inspection for the third quarter and no problems were noted.

7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

The permittee is currently mining the west slurry cell and contiguous refuse pile. No mining has started on the east slurry cell.

No hazardous conditions relative to the waste pile were noted during the inspection. The fourth quarter inspection report was completed as required. Quarterly inspections were performed on all piles except for the east and west slurry cells, which are inspected weekly.

8. NONCOAL WASTE

The area was clear of non-coal waste except for a few pop cans located at the area where test drilling occurs. The permittee removed these to the noncoal waste area.

20. AIR QUALITY PERMIT

Air quality permit was renewed by DEQ on 2/4/1998.

21. BONDING AND INSURANCE

Bonding is currently for \$1,900,000.

The permittee obtained liability insurance. The effective date is 8/1/2000 to 8/1/2001.

22. OTHER: AML FEES

OSM forms, prepared quarterly, were reviewed. This was an OSM requirement, even though OSM made the finding that AML fees were waived. They moved 482,671 tons of material into the plant in calendar year 2000. All this material was burned.

Inspector's Signature: _____



Wm. J. Malencik #26

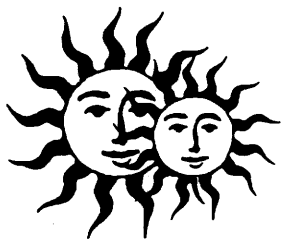
Date: January 19, 2001

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas & Mining.

sd

cc: James Fulton, OSM
Rusty Netz, Cogen
Price Field office

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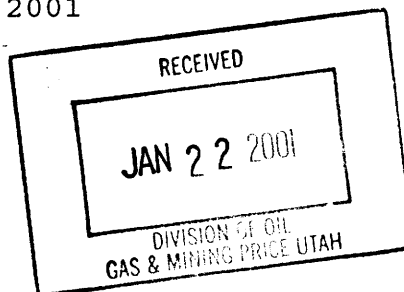


Sunnyside Cogeneration Associates

P.O. Box 10, East Carbon, Utah 84520 • (435) 888-4476 • Fax (435) 888-2538

January 17, 2001

Division of Oil, Gas & Mining
STATE OF UTAH
1594 W. North Temple, Suite 1210
P. O. Box 145801
Salt Lake City, Utah 84114-5801



Att: Mr. Ken Wyatt

Subject: Quarterly Sampling Report
Monitoring Period: October, November, December, 2000
DOGM Operational Water Monitoring

Dear Ken:

This letter is to confirm that the quarterly baseline water sampling data and the UPDES DMR data, have been submitted to the DOGM EDI web site. The data is correct and ready to be processed.

Should you have any questions, please contact Rusty Netz at (435) 888-4476.

Sincerely,

Agent For
Sunnyside Cogeneration Associates

Randy J. Scott
Plant Manager

c.c. Bill Malencik/Division of Oil, Gas & Mining
Rusty Netz, COSI
Plant File